No. 91-296

Supreme Court, U.S.
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IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1991

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.,
Petitioner,

v.

GORDON AND BREACH SCIENCE PUBLISHERS, INC.
AND SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED FOR REVIEW

1. May an incontestable trademark registration be attacked as descriptive when the statutory defense of fair use is made, notwithstanding this Court's decision in *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985)?

2. Is not the test for determining the defense of trademark fair use whether defendant uses its mark descriptively, and not whether plaintiff uses its mark descriptively?

3. Does the defense of trademark fair use require that plaintiff's mark be found descriptive?

STATEMENT UNDER RULE 28.1

The parent corporation for Petitioner Institute for Scientific Information, Inc. is JPT Publishing Group, Inc. and its affiliated companies are Frost & Sullivan, Inc., Payment Systems, Inc., Healthcare Information Center, and Faulkner & Gray, each of 106 Fulton Street, New York, N.Y. 10038. Institute for Scientific Information, Inc. has no interest in any non-wholly-owned subsidiaries.

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INSTITUTE FOR SCIENTIFIC INFORMATION, INC.,
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GORDON AND BREACH, SCIENCE PUBLISHERS, INC.
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Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

PETITION FOR WRIT OF CERTIORARI

Petitioner respectfully prays that a writ of certiorari issued to review the judgment and opinion of the United States Court of Appeals for the Third Circuit entered in its No. 90-1734 on April 15, 1991, with the Petition for Rehearing and Rehearing In Banc being denied on May 20, 1991.

OPINIONS BELOW

The Opinion of the Court of Appeals for the Third Circuit is reported at 931 F.2d 1002 and is reprinted in the Appendix hereto at page A3. The Opinion of the United States District Court for the Eastern District of Pennsylvania is reported at 743 F.Supp. 369 and is reprinted in the Appendix hereto as page A22.

JURISDICTIONAL STATEMENT

Invoking federal jurisdiction under 15 U.S.C. 1121, the Petitioner brought this suit in the U.S. District Court for the Eastern District of Pennsylvania on September 21, 1989. On August 30, 1990, the District Court granted Respondents' Motion for Judgment on the Pleadings, dismissed Petitioner's Complaint and entered judgment in favor of Respondents and against Petitioner.

On appeal, the Third Circuit on April 15, 1991, vacated the judgment and remanded (A20). Petitioner's application for Rehearing and Rehearing En Banc was denied on May 20, 1991 (A21), and this Petition for Certiorari was filed within ninety (90) days of that date.

This Court's jurisdiction arises from 28 U.S.C. 1254(1).

STATUTES INVOLVED

This case involves the following sections of the Lanham Act, 15 U.S.C. 1051 et seq.:

Section 15 of the Lanham Act, 15 U.S.C. 1065, which provides for the incontestability of a principal register trademark registration; and

Section 33(b)(4) of the Lanham Act, 15 U.S.C. 1115(b)(4), which provides the fair use defense.

Pertinent portions of these statutes are reproduced in the Appendix at A1-A2.

STATEMENT OF THE CASE

Petitioner, Institute for Scientific Information, Inc. ("ISI"), filed this action on September 21, 1989 for trademark infringement against Respondents Gordon and Breach, Science Publishers, Inc. and Scientific Technical Book Service in the Eastern District of Pennsylvania. ISI charged Respondents with infringement of its incontestable U.S. Trademark Registration No. 671,569 for the mark "CURRENT CONTENTS" for periodicals comprising reproductions of the title pages of a large number of current periodicals in a variety of fields.

Respondents sell a guide to their journals under the trademark "SCAN" with the following subtitle ". . . a free guide to the current contents of books and journals published by Gordon and Breach Science Publishers and Howard Academic Publishers." ISI charged that this use of the term "current contents" directly infringed its registered mark "CURRENT CONTENTS". On April 16, 1990, Respondents moved for judgment on the pleadings and dismissal of this action. The District Court issued its Opinion and entered Final Judgment on August 30, 1990, granting Respondents' motion and dismissing the Complaint. The District Court's opinion is recorded at 743 F.Supp. 369 (A22-A28).

The District Court found that Respondents' use of the words "current contents" was a fair use of the phrase, and also determined that the mark "CURRENT CONTENTS" as applied to *plaintiff's* product is clearly descriptive.

The Third Circuit vacated the District Court's Order (A20) holding that ISI had alleged sufficient facts demonstrating a likelihood of confusion to preclude judgment on the pleadings, and that fact issues as to Respondents' good faith precluded judgment on the pleadings on the fair use defense.

In its appeal, ISI had contended that the District Court erred by concluding that "CURRENT CONTENTS" was clearly descriptive because that determination was inconsistent with *Park 'N Fly v. Dollar Park 'N Fly,* 469 U.S. 189 (1985). The Third Circuit noted that although the disposition of ISI's appeal did not require this contention to be addressed, that it would arise again on remand. Hence, it was considered (A17). The Third Circuit then found that the conclusion that "CURRENT CONTENTS" was "clearly descriptive" was not inconsistent with this Court's holding in *Park 'N Fly* (A18). ISI filed a Petition For Rehearing or Rehearing In Banc Pursuant to Fed.App.R. 35(b) and 40(a) on this issue. This was denied on May 20, 1991 (A21).

BASIS FOR JURISDICTION IN THE DISTRICT COURT

The District Court's jurisdiction in this trademark infringement action is based on 28 U.S.C. 1331 and 1338.

ARGUMENT

The Third Circuit misconstrued *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.,* 469 U.S. 189 (1985) by holding that the District Court did not commit legal error when it found ISI's incontestable trademark "CURRENT CONTENTS" to be "clearly descriptive", (A18).[1]

Park 'N Fly held that an *incontestable mark cannot be attacked as merely descriptive at 469 U.S. 196, 201:*

> *The language of the Lanham Act also refutes any conclusion that an incontestable mark may be challenged as merely descriptive.* . . . Mere descriptiveness is not recognized by either 15 or 33(b) [of the

1. ISI submits that the designation "clearly descriptive" as used by the District Court is at the least synonymous with the words "merely descriptive" as used in the Lanham Act, 15 U.S.C. 1051 et seq. or is more damning to ISI's trademark.

> Lanham Act, 15 U.S.C. 1065 or 1115(b)] as a basis for challenging an incontestable mark.
>
> * * *
>
> Congress expressly provided in 33(b) and 15 that an incontestable mark could be challenged on specific and specified grounds, and *the grounds identified by Congress do not include mere descriptiveness.* [Emphasis added]

All leading authorities on trademark law have recognized that *Park 'N Fly* unequivocally prevents an attack on an incontestable mark as merely descriptive. *See* 1 J. Gilson, Trademark Protection and Practice, 4.03[3] (1991):

> Now, however, the Supreme Court has clarified the situation considerably with a major decision on the scope of protection of an incontestable trademark registration. The Court held, 8 to 1, that an incontestable trademark registration may indeed be used as an offensive weapon in an infringement action, and that *incontestability forecloses the "merely descriptive" defense because it is not listed among the defenses, defects and conditions enumerated in Sections 15 and 33(b) of the Lanham Act.* [Emphasis added]

See also 2 J. McCarthy, *Trademarks and Unfair Competition,* §32:44 (Cumulative Supplement, Issued December 1990):

> *Descriptiveness Cannot be Collaterally Challenged.* The 1985 *Park 'N Fly* case . . . holds that one cannot challenge the descriptiveness of a mark which is the subject of an incontestable registration.
>
> * * *
>
> *Major Impact of Incontestability* after the *Park 'N Fly* case is to cut off two important challenges to the validity of a mark: (1) that the mark is not inherently

> distinctive, and (2) that the mark is inferior in priority to the challenger's previously used mark. [Emphasis in Original]

See also 4A R. Callmann, *Unfair Competition, Trademarks and Monopolies,* §25.08 (4th Edition) (1990):

> The U.S. Supreme Court granted certiorari to resolve the conflict which then existed between the circuits on the offensive-defensive distinction, and held that incontestability not only protected the registration from attack on the grounds of descriptiveness, but also precluded Dollar's use of descriptiveness as a defense to infringement. It therefore reversed the decision of the Ninth Circuit and remanded for further proceedings on the infringement claim free of the descriptiveness defense. Incontestability, it ruled, was a sword to be wielded offensively against infringement, as well as a shield to be interposed as a defense against cancellation.
>
> *Comment:* It is difficult to disagree with this result, for the simple reason that it would not be sensible for the Lanham Act to confer "valid" but unenforceable registrations.

All circuit courts dealing with *Park 'N Fly* other than the Third Circuit have recognized that it prevents any attack on an incontestable mark as merely descriptive. *See, e.g., Keds Corp. v. Renee International Trading Corp.,* 888 F.2d 215, 220 (1st Cir. 1989):

> The holder of a registered mark may rely on incontestability to enjoin infringement and such an action cannot be defended on the grounds that the mark is merely descriptive. *Park "N Fly,* 469 U.S. at 205, 105 S.Ct. at 667.

Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512, 514 (9th Cir.), *cert. den.,* 110 S.Ct. 202 (1989):

> Subject to certain exceptions, incontestable status provides the mark with a conclusive presumption of

> validity and prevents a defense to infringement on the grounds that the mark is merely descriptive.

Accord: Wynn Oil Co. v. Thomas, 839 F.2d 1183, 1187 (6th Cir. 1988); *United States Jaycees v. Cedar Rapids Jaycees,* 794 F.2d 379, 382 (8th Cir. 1986); *Beer Nuts, Inc. v. Clover Club Foods Co.,* 805 F.2d 920, 924 (10th Cir. 1986).

By permitting the District Court on remand to determine whether ISI's mark "CURRENT CONTENTS" is "clearly descriptive", the validity and incontestability of ISI's mark is challenged. This is squarely contrary to *Park 'N Fly*.

ISI does not dispute that an incontestable mark is subject to the defense of "fair use" pursuant to Section 33(b)(4) of the Lanham Act, 15 U.S.C. §1115(b)(4).[2] ISI does dispute, however, the Third Circuit's test for determining "fair use" at A17-A18, which differs from the correctly stated test at A13.

The Third Circuit held that a determination that plaintiff's mark was "clearly descriptive" was necessary before deciding whether defendants could avail themselves of the fair use defense (A17-A18). It specifically rejected plaintiff's contention that under *Park 'N Fly*, the District Court should not have determined whether plaintiff's mark is descriptive.[3] Rather, it is the *defen-*

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2. The Third Circuit correctly stated the test for fair use at A13:

> To demonstrate fair use, defendants were required to prove that they (1) used "current contents" merely to describe their product; (2) did not use "current contents" as a trademark; and (3) used "current contents" in good faith.

3. A number of courts have commented on the relative strength of a plaintiff's mark in ruling on the fair use defense. ISI does not challenge such comments which have not found a plaintiff's mark to be descriptive. However, the only other contrary holding that the fair use defense requires that a plaintiff's mark be found descriptive of which ISI's counsel is aware is a statement made in 1 J. McCarthy, *Trademarks and Unfair Competition,* §11:17 (2d Ed. 1984) cited at A18 that Section 33(b)(4) of the

dant's descriptive use of the mark which is controlling. Thus, one of the three elements which must be established by a defendant claiming "fair use" is that *defendant's* use is *descriptive, not* whether *plaintiff's* usage is descriptive.[4] *See* S. Kane, *Trademark Law, A Practitioner's Guide,* (Practicing Law Institute 1987), pp. 172-173:

> The doctrine of fair use provides a defense to the infringing use of plaintiff's mark where *defendant's use is solely to describe defendant's goods.* Fair use is backed by the public interest in allowing competitors to make free use of the English language to describe their goods. So long as *defendant's use is descriptive,* in good faith, and not as a trademark, it will be permitted. . . . [Emphasis added].

See also WCVB-TV v. Boston Athletic Assn., 926 F.2d 42, 46 (1st Cir. 1991). (The use of the words "Boston Marathon" by *defendant,* although a registered mark of plaintiff, was primarily as a description and thus a fair use); *Abercrombie & Fitch Co. v. Hunting World, Inc.,* 537 F.2d 4, 12 (2d Cir. 1976) (The fair use defense applies where the term charged to be an infringement is not used as a trademark and is used fairly and in good faith only to *describe* to users the goods and services of *defendant*). *See also Munters Corp. v. Matsui America Corp.,* 730 F.Supp. 790, 800 (N.D.Ill. 1989), *aff'd,* 909 F.2d 250 (7th Cir. 1990), which was relied upon by the Third Circuit at A13:

NOTES *(Continued)*

Lanham Act requires defendant to prove four elements, one of which is that plaintiff's mark is descriptive and dictum in *Cullman Ventures, Inc. v. Columbian Art Works, Inc,* 717 F.Supp. 96, 132 (S.D.N.Y. 1989) cited at A18. McCarthy's treatise, which was published one year prior to this Court's decision in *Park 'N Fly,* does not include any court authority for this proposition and *Cullman* as hereafter noted looked to the defendant's usage in denying the fair use defense.

4. The other two elements are that a defendant has not used the word or symbol in question as a trademark and that the defendant has used the word or symbol in good faith.

> Therefore, to sustain on the fair use defense the defendant must establish three elements: 1) that the defendant used the word or symbol merely to describe its products; 2) that it did not use the word or symbol as a trademark; and 3) that it used the word or symbol in question in good faith.

The Third Circuit in its printed opinion, cited *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.*, 855 F.2d 480, 484 (7th Cir. 1988) for the proposition that "the fair use defense requires that the *plaintiff's* use merely describe the goods or services offered." (A18). This was error as noted by Petitioner in its Motion for Rehearing or Rehearing In Banc. The Seventh Circuit in *Ringling Bros.* held that the fair use defense requires that *defendant's* [not plaintiff's] use merely describe the goods or services offered.

In the published version of the Third Circuit's opinion at 931 F.2d at 1010, the error was corrected so that the opinion reads "the fair use defense requires that the *defendant's* use merely describe the goods or services offered." Petitioner has no way of knowing who corrected the error or why it was corrected. However, if, as it seems likely, the Third Circuit instructed the publishing company to change the opinion, this is a clear admission that the Third Circuit and the District Court were in error in holding that the fair use defense requires that *plaintiff's* use be descriptive.

In the other case cited by the Third Circuit at A18, *Cullman Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F.Supp. 96, 133 (S.D.N.Y. 1989), the fair use defense was deemed to be unavailable because plaintiff's mark was suggestive.

A plain reading of Section 33(b)(4) of the Lanham Act, 15 U.S.C. 1115(b)(4), with its clear antecedent usage of "party" to mean defendant further indicates that it is defendant's use which must be found to be descriptive, not plaintiff's use:

> (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, *or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party,* or their geographical origin; . . . [Emphasis added]

In view of the above, it is clear that it was improper for the District Court to determine that ISI's incontestable mark "CURRENT CONTENTS" was "clearly descriptive" before deciding whether Respondents could avail themselves of the fair use defense. Accordingly, the Third Circuit's conclusion that the District Court did not commit legal error contradicts this Court's holding in *Park 'N Fly,* as did the Third Circuit's *requirement* that the District Court determine that ISI's mark was descriptive to sustain a fair use defense.

CONCLUSION

Because the opinion of the Court of Appeals for the Third Circuit is in conflict with *Park 'N Fly,* this Petition for Certiorari should be granted.

Respectfully submitted,

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.

BY:_____

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APPENDIX

STATUTES INVOLVED

The involved sections of the **Lanham Act, 15 U.S.C. 1051 et seq. (1988)** are:

Section 15 of the Lanham Act, 15 U.S.C. 1065, which provides for the incontestability of a principal register trademark registration:

Sec. 15 (15 U.S.C. 1065). Except on a ground for which application to cancel may be filed at any time under paragraphs (3) and (5) of section 14 of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this Act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: **Provided,** That-

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in

commerce, and the other matters specified in paragraphs (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.

Section 33(b)(4) of the Lanham Act, 15 U.S.C. 1115(b)(4), which provides the fair use defense:

* * *

(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of Section 15, or in the renewal application filed under the provisions of Section 9 if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:

* * *

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; . . .

Filed April 15, 1991

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

NO. 90-1734

INSTITUTE FOR SCIENTIFIC
INFORMATION, INC.

Appellant

v.

GORDON AND BREACH, SCIENCE
PUBLISHERS, INC.:
SCIENTIFIC TECHNICAL BOOK
SERVICE, LTD.

Appeal from the United States District Court
for the Eastern District of Pennsylvania

D.C. Civil No. 89-06730

Argued: February 25, 1991

BEFORE: STAPLETON, ALITO and SEITZ,
Circuit Judges

Filed April 15, 1991

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OPINION OF THE COURT

SEITZ, Circuit Judge.

The Institute For Scientific Information ("plaintiff") filed a complaint alleging, *inter alia,* violations of the Federal Trademark laws, 15 U.S.C. §§1051 *et seq.* (1988), by Gordon and Breach, Science Publishers Inc. ("Gordon") and its subsidiary, Scientific Technical Book Service, Ltd. (collectively the "defendants"). After filing their answer, defendants moved for judgment on the pleadings pursuant to Fed.R.Civ.P. 12(c).[1] The district court granted defendants' motion, and plaintiff filed this appeal. The district court had jurisdiction over plaintiff's federal trademark claims under 28 U.S.C. §1338 (1988), and pendent jurisdiction over plaintiff's state claims. This court has jurisdiction pursuant to 28 U.S.C. §1291 (1988).

I. BACKGROUND

On September 21, 1989, plaintiff filed a complaint alleging federal and common law trademark infringement, false designation of origin, common law unfair competition, unjust enrichment, dilution and breach of

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1. Fed.R.Civ.P. 12(c) provides that:

> After the pleadings are closed but within such time as not to delay the trial, any party may move for judgment on the pleadings. If, on a motion for judgment on the pleadings, matters outside the pleadings are presented to and not excluded by the court, the motion shall be treated as one for summary judgment and disposed of as provided in Rule 56, and all parties shall be given reasonable opportunity to present all material made pertinent to such a motion by Rule 56.

Neither party contends that the district court treated defendants' motion as one for summary judgment.

agreement. On December 15, defendants filed an answer, and thereafter moved for judgment on the pleadings pursuant to Rule 12(c).

To rule on defendants' Rule 12(c) motion, the district court was required to view the facts presented in the pleadings and the inferences to be drawn therefrom in the light most favorable to plaintiff, the non-moving party. *Society Hill Civil Ass'n v. Harris,* 632 F.2d 1045, 1054 (3d Cir. 1980); *see also* 5A C. Wright & A. Miller, *Federal Practice and Procedure,* §1368, at 519 (1990) [hereinafter "5A *Federal Practice*"]. We turn to the facts as they are alleged in plaintiff's complaint.

Plaintiff is in the business of developing and marketing information retrieval services. These services are used by researchers to locate and obtain relevant information published worldwide in scholarly, scientific and technical journals and books. Plaintiff is the owner of an incontestable trademark, "CURRENT CONTENTS," that was registered in the U.S. Patent and Trademark Office on December 23, 1958, Registration No. 671,569.[2] That mark is used by plaintiff in periodicals containing the reproductions of title pages of a large number of current periodicals in a variety of fields. Plaintiff's CURRENT CONTENTS periodicals have substantial sales and have been published continuously since 1957.

Defendants are also in the business of publishing books and journals. Defendants publish a journal entitled "SCAN" which lists the contents of defendants' publications on certain scholarly, scientific and technical subjects. SCAN is in direct competition with plaintiff's CURRENT CONTENTS periodicals.

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2. Under the Lanham Act a registered mark becomes "incontestable" upon the filing of an affidavit of use between the fifth and sixth years of that mark's registration. *See* 15 U.S.C. §§1058 & 1065; *See also Opticians Ass'n v. Independent Opticians*, 920 F.2d 187, 192 (3d Cir. 1990).

In early 1985, the subtitle of SCAN described it as "a guide to current contents of journals published by Gordon & Breach." On February 27, 1985, plaintiff's senior vice president of finance and administration sent the president of Gordon a letter requesting defendants to voluntarily cease and desist from using the phrase "current contents" in light of plaintiff's incontestable mark, CURRENT CONTENTS. On September 17, 1985, after several months of negotiations, plaintiff's attorney sent another letter to Gordon confirming an oral agreement (the "agreement") whereby defendants agreed to discontinue all use of the phrase "current contents," and to use the following as the subtitle for SCAN: "A guide to the contents of current issues of journals published by Gordon & Breach." Plaintiff never received a written response to that letter.

From September 1985 to February 1989, Gordon did not use the phrase "current contents" within the subtitle of SCAN. The February 24, 1989 issue of *Science,* however, contained an advertisement for SCAN which described it as ". . . a free guide to the current contents of books and journals published by Gordon and Breach Science Publishers and Harwood Academic Publishers." Upon learning of this advertisement, plaintiff's senior vice president telephoned Gordon and notified it that plaintiff considered defendants' use of "current contents" a breach of their agreement. Plaintiff's representative was told that the use of "current contents" was due to an oversight by new employees and that defendants would cease to use those words. On March 29, 1989, plaintiff sent a letter to Gordon confirming the details of this telephone conversation. Plaintiff never received a response to the March 29 letter, and defendants continue to use "current contents" in the description of SCAN.

On August 30, 1990, the district court granted defendants' Rule 12(c) motion. Plaintiff filed a timely notice of appeal.

II. DISCUSSION

Initially, we note that "the Rule 12(c) motion is little more than a relic of the common law and code era," 5A *Federal Practice* at 537, and it "only has utility when all the material allegations of fact are admitted in the pleadings and only questions of law remain." *Id.* at 510. Granting a Rule 12(c) motion results in a determination on the merits at an early stage in the litigation, and thus this court requires "the movant [to] clearly establish[ ] that no material issue of fact remains to be resolved and that he is entitled to judgment as a matter of law." *Jablonski v. Pan Am. World Airways, Inc.*, 863 F.2d 289, 290-91 (3d Cir. 1988). (quotation omitted).[3]

Defendants' Rule 12(c) motion was based on the contention that the words "current contents" were used fairly and in good faith as permitted by the Lanham Act, 15 U.S.C. §1115(b)(4).[4] For the district court to dismiss plaintiff's complaint on that ground, it was required to determine that "no set of facts could be adduced to

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3. Although Rule 12(c) does not use this language, our court stated in *Jablonski* that a Rule 12(c) motion cannot be granted, if a material issue of fact exists. We have no occasion to decide whether there is a meaningful difference between "material issue of fact" and "issue of material fact" found in the summary judgment rule, *see* Fed.R.Civ.P. 56(c).

4. The infringement of an incontestable trademark can only be defended on the grounds enumerated in the Lanham Act. One of the grounds enumerated is fair use:

> (b) Incontestability; defenses
>
> To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark . . . and of the registrant's exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed. . . . Such conclusive evidence . . . shall be subject to the following defenses or defects:
>
> (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, . . . *of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party*. . . .

Id. §1115(b)(4) (emphasis added).

support the plaintiff's claim for relief." *Bryson v. Brand Insulations, Inc.*, 621 F.2d 556, 559 (3d Cir. 1980) (reviewing judgment on the pleadings granted on Rule 12(b)(6) grounds); *see also Rivera-Gomez v. de Castro*, 843 F.2d 631, 635 (1st Cir. 1988) (stating that "a court may not grant a plaintiff's Rule 12(c) motion unless it appears beyond doubt that plaintiff can prove no set of facts in support of his claim") (quotation omitted); 5A *Federal Practice*, §1368, at 527-28 (stating that plaintiff must "allege facts that, if proved, would permit recovery").

Plaintiff's primary cause of action was for trademark infringement. To dismiss this claim, the district court had to conclude that no set of facts could be adduced to support plaintiff's contention that (1) the CURRENT CONTENTS mark is valid and legally protectable; (2) it owns the CURRENT CONTENTS mark; and (3) defendants' use of the words "current contents" to identify goods or services is likely to create confusion concerning the origin of the goods or services. *See Opticians Ass'n v. Independent Opticians*, 920 F.2d 187, 192 (3d Cir. 1990).[5]

Plaintiff's allegation that it is the owner of an incontestable trademark is sufficient to plead a factual basis for (1) and (2). Therefore, the only issue with respect to the trademark infringement claim is whether plaintiff

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5. Although plaintiff does not identify the specific section, the contention seems to be that defendants violated Section 32 of the Lanham Act which provides:

> (1) Any person who shall, without the consent of the registrant—
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered trademark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive. . . .
>
> shall be liable in a civil action by the registrant for the remedies hereinafter provided.

15 U.S.C. §1114 (1988).

alleged facts that, if proved, would establish that there was a likelihood of confusion.

The district court did not address the issue of likelihood of confusion. Instead, it turned to whether defendants used the phrase "current contents" fairly and in good faith. Concluding that defendants had made fair use of "current contents," the district court dismissed all of plaintiff's trademark related claims.

Plaintiff asserts that the district court erred by granting defendants judgment on the pleadings because (1) the complaint alleged facts that, if proved, would show that defendants' use of "current contents" was likely to cause confusion among CURRENT CONTENTS customers; (2) the pleadings raised a material issue of fact as to whether defendants used the words "current contents" fairly and in good faith; (3) the district court's determination that CURRENT CONTENTS is "clearly descriptive" is inconsistent with United States Supreme Court precedent; and (4) the district court should not have taken judicial notice of the fact that the Library for the Third Circuit Court of Appeals uses the phrase "current contents" to refer to materials circulated to members of the judiciary.[6] These contentions are addressed *seriatim*.

A. *Likelihood of Confusion*

Plaintiff asserts that the complaint alleged facts that if proved, would demonstrate that there was a likelihood of confusion among its customers.

Defendants contend that "the facts as alleged in the complaint conclusively establish that there could be no likelihood of confusion." (Defendants' brief at 22). As we understand this contention, the defendants challenge the factual sufficiency of plaintiff's complaint and argue that because they were entitled to judgment as a matter

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6. Our disposition of this appeal does not require us to decide whether a finding of fair use is inconsistent with a finding of likelihood of confusion.

of law on the issue of likelihood of confusion, judgment on the pleadings was proper.

The district court did not rule on the sufficiency of plaintiff's complaint or determine whether plaintiff alleged facts that, if proved, would permit a finding that defendants' use of "current contents" was likely to cause confusion. Nonetheless, we see no reason why in the interest of judicial economy and in light of our plenary review of Rule 12(c) rulings, *see Jablonski,* 863 F.2d at 290, we cannot address this issue. After all, the defendants' Rule 12(c) motion provided a means by which the sufficiency of plaintiff's complaint could be challenged, *see Thomason v. Nachtrieb,* 888 F.2d 1202, 1204 (7th Cir. 1989); 5A *Federal Practice,* at 514 (Rule 12(c) may be used to raise several of the Rule 12(b) defenses), and defendants' answer charged that plaintiff failed to state a claim. Moreover, there is nothing unfair about our addressing this issue because plaintiff, the nonmoving party, urges that we do so and both parties have briefed it on appeal. Therefore, we turn to plaintiff's complaint and the allegations concerning likelihood of confusion.

Plaintiff's complaint alleges that the defendants' uses

> were and are intended and are possibly and likely to cause confusion, mistake or deception as to the source of origin, sponsorship or approval of [plaintiff's] periodicals, in that the purchasers or others are possibly and likely to believe that [defendants'] product is [plaintiff's] "CURRENT CONTENTS" product, or an associated product, or the product of a company legitimately connected with or related to [plaintiff].

(App. at 8).

Plaintiff's complaint also alleges the following facts: (1) defendants used the exact words, "current contents," for which plaintiff had a registered trademark; (2) plaintiff has been the owner of the CURRENT

CONTENTS mark since 1958; (3) plaintiff has used the mark, CURRENT CONTENTS, continuously since 1958; (4) defendants adopted the phrase "current contents" after plaintiff registered its CURRENT CONTENTS mark; (5) "current contents" is confusingly similar to plaintiff's CURRENT CONTENTS mark; (6) CURRENT CONTENTS periodicals enjoy substantial sales success; (7) CURRENT CONTENTS has become a widely known mark throughout the United States; (8) defendants use "current contents" to describe goods that are identical to plaintiff's CURRENT CONTENTS periodicals; (9) defendants sell their goods through the same channels of trade as plaintiff; (10) defendants sell their goods to the identical end purchasers as plaintiff; (11) defendants' use of "current contents" is likely to conjure up consciously and/or unconsciously plaintiff's CURRENT CONTENTS mark; (12) defendants' publication directly competes with CURRENT CONTENTS periodicals; (13) defendants chose to use the phrase "current contents" with the intent to infringe upon the CURRENT CONTENTS mark and dilute its goodwill; and (14) plaintiff notified defendants of the purported infringing use immediately upon learning of it. (App. at 3-17).

Plaintiff's complaint goes well beyond the requirements of notice pleading. *See* 2 J. McCarthy, *Trademarks and Unfair Competition,* §§32:57 and 32:59, at 794—95, 797—99 (offering form complaint for trademark infringement that satisfies requirements of notice pleading) [hereinafter *"Trademarks"*]. It contains allegations that, if proved, would permit a finding of likelihood of confusion, *see Scott Paper Co. v. Scott's Liquid Gold, Inc.,* 589 F.2d 1225, 1229 (3d Cir.1978) (listing ten factors relevant to determination), and perhaps the most important of which is plaintiff's allegation that defendants intended to cause confusion, deception or mistake. *See American Home Prods. Corp. v. Barr Laboratories, Inc.,* 834 F.2d 368, 371 (3d Cir.1987) (stating that a plaintiff's "intent to confuse might be highly

probative of likelihood of confusion"); *see also Life Technologies, Inc. v. Gibbco Scientific, Inc.*, 826 F.2d 775, 777 (8th Cir.1987) ("Intent [to infringe] raises an inference of likelihood of confusion. . . ."); *Oreck Corp. v. U.S. Floor Sys., Inc.*, 803 F.2d 166, 173 (5th Cir.1986) ("If such an intent [to infringe] can be shown . . . it may provide compelling evidence of likelihood of confusion"), *cert. denied*, 481 U.S. 1069, 107 S.Ct. 2462, 95 L.Ed.2d 871 (1987).

Thus, we cannot say at this stage that if plaintiff proved the factual allegations in the complaint, it would not show that customers are likely to purchase SCAN, which uses "current contents" in the subtitle, because they believe that SCAN is one of or associated with plaintiff's CURRENT CONTENTS publications. *See Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1217 (9th Cir.1987) ("A likelihood of confusion exists not only when a consumer viewing a service mark is likely to purchase the identified services under the mistaken belief that they are services of another service provider, but also when the consumer would be likely to assume that the identified services are in some way associated with another service-provider."). Thus, we cannot affirm the district court's Rule 12(c) ruling on the ground that plaintiff failed to state a claim for trademark infringement because plaintiff alleged a set of facts that, if proved, would show a likelihood of confusion. *See Bryson*, 621 F.2d at 559 (concluding that "judgment on the pleadings would not be appropriate . . . because the complaint states a cause of action in contract").

We note that defendants' denial of plaintiff's allegations does not warrant a different conclusion. That denial, of course, simply raised likelihood of confusion as a material issue of fact that could not, in the context of a Rule 12(c) motion, be resolved in defendants' favor. *See Conference Corp. v. Seventh-Day Adventist Church*, 887 F.2d 228, 231 (9th Cir.1989) (defendant's factual assertions denying likelihood of confusion created a

question of material fact precluding judgment on the pleadings), *cert. denied,* ____ U.S. ____, 110 S.Ct. 1134, 107 L.Ed.2d 1039 (1990); *see also Hal Roach Studios v. Richard Feiner and Co.,* 896 F.2d 1542, 1550 (9th Cir.1990) (stating that "judgment on the pleadings is improper when the district court goes beyond the pleadings to resolve an issue"). Consequently, unless defendants' fair use defense entitled them to judgment as a matter of law, the district court erred by granting judgment on the pleadings. *Jablonski,* 863 F.2d at 290-91.

B. *Fair Use*

Plaintiff asserts that even if a fair use defense can justify granting judgment on the pleadings, the pleadings here raised material issues of fact as to whether defendants used the words "current contents" fairly and in good faith.[7] Therefore, plaintiff argues that the defendants were not entitled to judgment as a matter of law, and thus judgment on the pleadings was improperly granted by the district court.

To demonstrate fair use, defendants were required to prove that they (1) used "current contents" merely to describe their product; (2) did not use "current contents" as a trademark; and (3) used "current contents" in good faith. *See Munters Corp. v. Matsui America, Inc.,* 730 F.Supp. 790, 800 (N.D.Ill.1989), *aff'd,* 909 F.2d 250 (7th Cir.), *cert. denied,* ____ U.S. ____, 111 S.Ct. 591, 112 L.Ed.2d 595 (1990). Plaintiff contends that a material issue of fact existed as to each of these

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7. Plaintiff contends that "fair use" is an affirmative defense, and thus under Fed.R.Civ.P. 8(d) the district court was required to treat the facts supporting that defense as denied. Thus, plaintiff argues that defendants' Rule 12(c) motion should have been denied on that ground alone. We shall not address plaintiff's contention because we would still need to determine whether the pleadings presented a question of fact. *See* 5A *Federal Practice,* §1368, at 530 ("If the affirmative defense clearly is established in the pleadings . . . *and no question of fact exists,* then a judgment on the pleadings may be appropriate.") (emphasis added).

elements. We shall, however, only review the pleadings relating to defendants' good faith use of the words "current contents" because we believe that issue is dispositive.

Plaintiff asserts that defendants' use of the words "current contents" was not in good faith. Plaintiff supports this claim by pointing to the fact that the defendants entered into an agreement not to use the words "current contents," abided by the terms of that agreement for over three and one half years, and then breached that agreement.

The district court rejected plaintiff's argument, stating:

> Plaintiff claims that the fact that defendants had previously agreed not to use the words "current contents" means that their use of the words is in bad faith. Continued use of the words that are claimed to infringe, even after notice of the claim, is not evidence of bad faith. *Andy Warhol Enterprises, Inc. v. Time, Inc.*, 700 F.Supp. 760, 766 (S.D.N.Y.1988).

(App. at 392).

We believe that the district court was not warranted in relying exclusively upon *Andy Warhol* to reject plaintiff's argument. The defendant in that case continued the alleged infringing use after being notified by a trademark owner that the owner believed that defendant's use was a violation of the trademark laws. *Id.* at 766. In the instant case, however, the district court was required to assume not only that defendants were on notice of a claim, but also that they breached an agreement requiring them to forego the use of the words "current contents."[8] Therefore, we must decide whether

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8. We do not believe the district court was entitled to conclude that under Pennsylvania law the alleged agreement was terminable at will. Under Pennsylvania law, "where there is no express provision in the contract as to its duration or termination the

defendants' breach of an agreement not to use the words "current contents" is evidence of bad faith.

Defendants contend that their breach is not evidence of bad faith. In support of their position, defendants cite *Munters* wherein the court stated that an "intentional use of a mark that [the defendant] had every right to use is not itself a ground on which to draw an adverse inference [of bad faith]," *Munters,* 730 F.Supp. at 799 (quoting *M—F—G Corp. v. EMRA Corp.,* 817 F.2d 410, 412 (7th Cir.1987)).

Defendants' reliance on Munters is misplaced. The unambiguous terms of the agreement alleged require defendants to refrain from using the words "current contents," possibly to avoid a trademark infringement action.[9] In agreeing to those terms, the defendants made a business judgment to contract away their legal right to make fair use of plaintiff's CURRENT CONTENTS mark. Under the circumstances, we cannot say—as the district court did in *Munters*—that defendants' intentional use of "current contents" was one that they "had every right to use" or that their decision was made "in the context of a good faith business judgment." *Id.* at

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intention of the parties in that regard is to be determined from the surrounding circumstances and by an application of a reasonable construction to the agreement as a whole." *Von Lange v. Morrison-Knudsen Co.,* 460 F.Supp. 643, 649 (M.D.Pa. 1978), *aff'd,* 609 F.2d 504 (3d Cir.1979) (citing *Thomas v. Thomas Flexible Coupling Co.,* 353 Pa. 591, 46 A.2d 212 (1946)); *see also Rossmassler v. Speilberger,* 270 Pa. 30, 41, 112 A. 876, 880 (1921) ("Apart from contracts which, from their inherent nature, imply a power of revocation, it would seem that the intention of the parties to an agreement that it should be perpetual and without limit as to duration could not be more properly expressed than by silence as to any time limit or power of revocation."); *American Type Founders v. Lanston Monotype Mach. Co.,* 137 F.2d 728, 730-31 & n. 2 (3d Cir.1943) (same). Rather, the district court had to assume that the defendants breached an agreement not to use "current contents" when it addressed plaintiff's allegation of bad faith. The scope of any remedy is not relevant to the use of the breach on the bad faith issue.

9. This fact, by itself, distinguishes *Munters*. In that case, the defendant conformed to its understanding of the agreement. *See id.* at 792.

801 (using "good faith business judgment" as the ground for rejecting plaintiff's contention that defendant did not act in good faith, and thus was not entitled to fair use defense). Instead, plaintiff's allegation suggests that defendants intentionally breached the agreement. Clearly, if this were the case, an adverse inference of bad faith may be drawn.

The defendants' breach of contract is not the only fact that plaintiff alleged in support of its contention that defendants acted in bad faith. Plaintiff also alleged that defendants'

> use of the term "current contents" on and in connection with its competing periodicals was and is . . . with full knowledge of [plaintiff's] use of its federally registered "CURRENT CONTENTS" mark, and was and is with *intent* and for the purpose . . . of wrongfully infringing upon [plaintiff's] "CURRENT CONTENTS" mark so as *to trade upon and dilute the goodwill* represented by [plaintiff's] "CURRENT CONTENTS" mark *so as to give defendants' products bearing the term "current contents" mark a salability which they would not otherwise have.*

(App. at 6-7) (emphasis added). We read the quoted allegation as stating that defendants intentionally infringed upon plaintiff's CURRENT CONTENTS mark.

We cannot say, as defendants suggest, that this allegation of intentional infringement is merely conclusory. Plaintiff's complaint states that defendants agreed to use "A guide to the contents of current issues of journals published by Gordon & Breach" as the description for SCAN, used the non-infringing description for three and one half years, and then chose to revert back and use "current contents" in the subtitle. This behavior supports a possible inference that defendants intended to trade upon and dilute the good will represented by the CURRENT CONTENTS mark, *see Sierra On-Line, Inc. v. Phoenix Software, Inc.*, 739 F.2d 1415, 1423 (9th

Cir.1984) (stating that "choice of phrase . . . when other phrases were available could indicate intent to trade on . . . good will and product identity."), and thus, to engage in intentional infringement.

We conclude that plaintiff's allegations raised material issues of fact as to the defendants' good faith. Consequently, the defendants were not entitled to judgment as a matter of law, and the district court erred by granting judgment on the pleadings. *See Hal Roach Studios,* 896 F.2d at 1550 (stating that "judgment on the pleadings is improper when the district court goes beyond the pleadings to resolve an issue").

C. *Incontestability and Descriptive Trademarks*

Plaintiff's third contention of error is that the district court erred by concluding that CURRENT CONTENTS was clearly descriptive because that determination is inconsistent with the Supreme Court's ruling in *Park 'N Fly v. Dollar Park 'N Fly,* 469 U.S. 189, 105 S.Ct. 658, 83 L.Ed.2d 582 (1985).

Although disposition of plaintiff's appeal does not require us to address this contention, we believe that this legal issue will arise again on remand. Thus, in the interest of judicial economy, we consider plaintiff's contention that *Park 'N Fly* foreclosed the district court from determining that plaintiff's incontestable mark, CURRENT CONTENTS, is "clearly descriptive."

In *Park 'N Fly,* the Supreme Court held that "the holder of a registered trademark may rely on incontestability to enjoin infringement and that such action may not be defended on the grounds that the mark is *merely* descriptive." *Id.* 469 U.S. at 205 (emphasis added). The district court did not, however, conclude that plaintiff's mark was "merely descriptive," and was not addressing the validity or incontestability of plaintiff's CURRENT CONTENTS mark.

The district court determined that CURRENT CONTENTS was "clearly descriptive" (App. at 391), as this was necessary before deciding whether defendants

could avail themselves of the fair use defense. *See* 1 *Trademarks,* at 475 (the fair use defense presupposes that the mark is descriptive); *see also Ringling Bros.—Barnum & Bailey v. Celozzi-Ettelson Chevrolet,* 855 F.2d 480, 484 (7th Cir.1988) (stating that the fair use defense requires that the plaintiff's use merely describe the goods or services offered); *Cullman Ventures, Inc. v. Columbian Art Works, Inc.,* 717 F.Supp. 96, 133 (S.D.N.Y.1989) (fair use defense unavailable when mark was suggestive). That defense is one of the seven enumerated defenses in the Lanham Act explicitly recognized by the Supreme Court as exceptions to the registrant's exclusive right to use an incontestable mark. *Park 'N Fly,* 469 U.S. at 196, 199 n. 6, 105 S.Ct. at 662, 664 n. 6 ("If one of the defenses is established, registration constitutes only prima facie and not conclusive evidence of owner's right to exclusive use of the mark."); *see also Ringling Bros.,* 855 F.2d at 483; 1 *Trademarks,* §11:17 at 479. Thus, the district court's conclusion that CURRENT CONTENTS was "clearly descriptive" is not inconsistent with the Supreme Court's holding in *Park 'N Fly,* and the district court did not commit legal error.[10]

D. *Judicial Notice*

Plaintiff's final contention of error is that the district court erred by taking judicial notice of the fact that the Third Circuit Library uses the label "current contents" to describe the collection of tables of contents of current law reviews it circulates to members of the judiciary. In view of our decision to remand this case, if the district court desires to consider the possibility of taking judicial notice of the circulated material, it should proceed in accordance with Fed.R.Evid. 201.

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10. We emphasize that we are not deciding whether the district court's determination that plaintiff's mark is clearly descriptive was correct. Rather, we have only rejected plaintiff's contention that under *Park 'N Fly* the district court should not have determined whether plaintiff's mark is descriptive.

E. *Breach of Contract*

Finally, at oral argument, plaintiff's counsel contended that the district court's dismissal of its separate breach of contract claim was appealed. In support of that position, counsel directed this court to the following passage in plaintiff's opening brief:

> Finally, taking the facts pleaded by plaintiff on the issue of the agreement as true, i.e. that plaintiff and defendants entered into an agreement and that such agreement was breached, it is inconceivable that defendants were entitled to judgment as a matter of law. Plaintiff submits that the conduct of honoring the agreement over a period of four years is the strongest possible evidence of its *validity*.

(Appellant's brief at 20-21) (emphasis added).

The quoted passage contains plaintiff's argument that the district court erred by not assuming the "validity" of the agreement. The district court, however, assumed that a valid agreement existed, and determined that plaintiff's contract claim should be dismissed because any agreement was "terminable at will" and only remediable by a trademark infringement action, which plaintiff had brought. (App. at 395-96.) Nowhere in the "Statement of the Issues Presented" or the "Argument" section of plaintiff's appellate brief are those conclusions questioned. We conclude, therefore, that under Fed.R.App.P. 28(a)(2)-(4), plaintiff abandoned its breach of contract claim. *See Dagget v. Kimmelman,* 811 F.2d 793, 795 n. 1 (3d Cir.1987) (stating that "[b]y failing to raise this issue in their original briefs, appellants simply did not appeal the district court's conclusion"); *see also* 16 C. Wright, A. Miller, E. Cooper & E. Gressman, *Federal Practice and Procedure,* §3975, at 421-22 (1977) ("to assure consideration of an issue by the court, the appellant must both raise it in the 'Statement of the Issues' and pursue it in the 'Argument' portion of the brief").

Our conclusion here does not mean that the existence of the agreement is not relevant to whether the defendants used the words "current contents" fairly and in good faith, an argument plaintiff does raise. *See supra at* note 8.

III. CONCLUSION

The judgment of the district court will be vacated and the matter remanded for further proceedings consistent with this opinion.

A True Copy:
Teste:

Clerk of the United States Court of Appeals
for the Third Circuit

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

NO. 90-1734

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.,
Appellant

v.

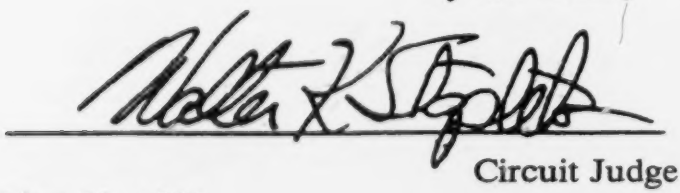
GORDON AND BREACH, SCIENCE PUBLISHERS, INC.
AND SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.

SUR PETITION FOR REHEARING

BEFORE: SLOVITER, *Chief Judge,* BECKER, STAPLETON, MANSMANN, GREENBERG, HUTCHINSON, SCIRICA, COWEN, NYGAARD, ALITO, and SEITZ, *Circuit Judges*

The petition for rehearing filed by appellant in the above-entitled case having been submitted to the judges who participated in the decision of this Court and to all the other available circuit judges of the circuit in regular active service, and no judge who concurred in the decision having asked for rehearing, and a majority of the circuit judges of the circuit in regular active service not having voted for rehearing by the court in banc, the petition for rehearing is denied.

By the Court,



Circuit Judge

Dated: May 20, 1991

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.	:	CIVIL ACTION
v.	:	
GORDON AND BREACH, SCIENCE PUBLISHERS, INC. and SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.	:	No. 89-6730

MEMORANDUM

R.F. KELLY, J. August 30, 1990

Defendants have filed a motion for judgment on the pleadings on this trademark infringement action which will be granted.

Plaintiff Institute for Scientific Information, Inc. is the publisher of a number of periodicals entitled "CURRENT CONTENTS" which consist of reproductions of the contents pages of scholarly journals in a number of scientific and academic fields. Plaintiff is the owner of a trademark registration for "CURRENT CONTENTS". The "CURRENT CONTENTS" periodicals have been published for more than thirty years and have been very successful for the plaintiff.

Defendant issues a publication called "SCAN" which lists the contents of books and journals published by Gordon and Breach Science Publishers and Harwood Academic Publishers. It is sent free of charge to people who request it. Advertisements promoting "SCAN" have been published with the following appearing beneath the word "SCAN": ". . . a free guide to the current contents of books and journals published by Gordon and Breach Science Publishers and Harwood Academic Publishers."

In its complaint the plaintiff alleges that the defendants had in early 1985 published "SCAN" with the

subtitle "a guide to current contents of journals published by Gordon & Breach." Plaintiff alleges that as a result of letters from one of its officers and its attorneys to the defendant Gordon & Breach, Gordon & Breach agreed not to use the words "current contents" to describe "SCAN". The plaintiff alleges that this agreement was reduced to writing in a letter from one of its attorneys to one of Gordon & Breach's attorneys.

Plaintiff claims that the use of the words "current contents" is trademark infringement and false designation of origin under federal statutes, trademark infringement and unfair competition under the common law, unjust enrichment, dilution of trademark and breach of contract.

Defendants' motion is based on the contention that their use of the words "current contents" is a fair use of the phrase even if they are using it exactly as plaintiff claims they are using it in its complaint.

Section 33(b) of the Lanham Act states:

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, [as plaintiff's mark has] the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce . . . except when one of the following defenses or defects are established:

> (4) That the use of the name, term, or devise charged to be an infringement is a use, otherwise than as a trade or service mark, . . . of a term or devise which is descriptive of an used fairly and in good faith only to describe to users the goods or services of such party. . . .

15 U.S.C. §1115(b).

The elements of this fair use defense are: "1) that the defendant used the word or symbol to merely describe its product; 2) that it did not use the word or symbol as a trademark; and 3) that it used the word or

symbol in question in good faith." *Munters Corp. v. Matsui America, Inc.,* 730 F.Supp. 790, 800 (N.D. Ill. 1989).

The first issue to be decided for the first element is whether or not the words at issue here, "current contents" are descriptive. Word used to identify products are divided into four categories. The Second Circuit has described the categories as follows: "arrayed in an ascending order that reflects both their eligibility for trademark status and the degree of protection accorded, the categories are (1) generic (ineligible for protection), (2) descriptive (eligible for protection with proof of secondary meaning), (3) suggestive (eligible for protection without proof of secondary meaning), (4) arbitrary or fanciful (eligible for protection without proof of secondary meaning and 'with ease of establishing infringement'.)" *Western Publishing Company, Inc. v. Rose Art Industries, Inc. No. 90-7291, slip op., 1990 U.S. App. Lexis 12841 (2d Cir. July 31, 1990).*

A leading trademarks texts defines a descriptive term as one that "ordinarily tells how a product functions, what it looks tastes, or feels like, or what its desirable aspects are." J. Gilson, Trademark Protection and Practice, §2.03 at 2-61 (1990). In *Miller Brewing Co. v. G. Heileman Brewing Co.,* 561 F.2d 75, 79 (7th Cir. 1977) the Seventh Circuit stated: "A merely descriptive term specifically describes a characteristic or ingredient of an article." The distinction between a suggestive and a descriptive term has been explained in this way:

> A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.

Stix Products, Inc. v. United Merchants & Manufacturers Inc., 295 F.Supp. 479, 488 (S.D.N.Y.1968). See the list of terms held to be descriptive in J. McCarthy,

Trademarks and Unfair Competition, §11:8 at 449-53 (1984).

The words "current contents" as applied to plaintiff's product are clearly descriptive. Plaintiff's periodicals consist of the tables of contents for current periodicals in various fields. It would be hard to imagine a more descriptive phrase for plaintiff's product that has only two words. No imagination is needed to reach a conclusion as to what is published in plaintiff's magazine. The words "current contents" are so descriptive of a group of tables of contents of current periodicals that the Library of the Court of Appeals for the Third Circuit uses that label when they circulate among the judges of this circuit copies of the tables of contents of current law reviews.

In its complaint, plaintiff complains that defendants were "openly using the infringing phrase" and included a copy of what they were complaining about. Complain ¶21 and Exhibit C. This was a page topped by the word "SCAN" in large letters, with the following words beneath in much smaller letters: ". . . a free guide to the current contents of books and journals published by Gordon & Breach Science Publishers and Harwood Academic Publishers." This is not a trademark use of the words "current contents", it is a description of the nature of the defendant's publication, which is the current contents of the books and journal that they publish. The fact that the description includes the words "current contents" does not turn it into a trademark. The words "current contents" have a normal dictionary meaning, and defendants use the words in that sense. By registering its trademark the plaintiff has not taken from competitors the right to use the English words "current contents" to describe their products.

Plaintiff claims that the fact that the defendants had previously agreed not to use the words "current contents" means that their current use of the words is in bad

faith. Continued use of words that are claimed to infringe, even after notice of the claim, is not evidence of bad faith. *Andy Warhol Enterprises, Inc. v. Time, Inc.*, 700 F.Supp. 760, 766 (S.D.N.Y.1988).

This conclusion is supported by a number of other cases. In *Clarke v. Joseph H. Dahlkemper, Inc.*, 468 F.Supp. 441 (W.D.Pa.1979) plaintiff's trademark was for a game was "SAFE-T-BALL". Defendants marketed a game "similar in principle to the plaintiff's named 'FLINGER CLINGERS' beneath which appears the phrase 'the safety ball target game' in smaller print." *Id.* at 441. The court found this a fair use of the words, "safety ball".

In *Wonder Labs, Inc. v. Procter & Gamble Co.*, 728 F.Supp. 1058 (S.D.N.Y.1990) Wonder Labs was the owner of an incontestable registration for the trademark "DENTISTS CHOICE" for use on toothbrushes. Procter & Gamble used the phrase "dentist's choice' in its advertising and promotion of Crest toothpaste. Procter & Gamble used the words "The dentist's choice" much more prominently in its advertisements than defendants here have used "current contents". *Id.* at 1061 n. 4. The court found this a fair use.

In *Munters Corp. v. Matsui America, Inc.*, 730 F.Supp. 790, (N.D.Ill.1989) *aff'd* Nos. 89-3553, 89-3646, 1990 U.S. App. Lexis 13050 (7th Cir. Aug. 2, 1990) the plaintiff's trademark for dehumidifying equipment was "HoneyCombe". The court held that the use of the word "honeycomb" by the defendant to describe the desiccant wheel in its dehumidifying equipment was a fair use. *Id.* at 800-01.

In *United States Shoe Corp. V. Brown Group*, 740 F.Supp. 196, 15 U.S.P.Q.2d (BNA) 1138, 1990 U.S. Dist. Lexis 5639 (S.D.N.Y. 1990) the court held that the defendant could describe its shoe with the phrase "feels like a sneaker" despite plaintiff's trademark "Looks like a pump, feels like a sneaker". In that case the court stated:

> Defendant's use of the words "feels like a sneaker" falls squarely within the "fair use" defense codified in Section 33(b)(4) of the Lanham Act. . . . The purpose of the act is to prevent the trademark rights of one party from being extended to preclude another party from the description of his product to the public. When the plaintiff chooses a mark with descriptive qualities, the fair use doctrine recognizes that "he cannot altogether exclude some kinds of competing uses," particularly those which use words in their primary descriptive and non-trademark sense.

1990 U.S. Dist. Lexis 5639, *5, (citations omitted).

The finding that defendants' use of "current contents" is a fair use precludes plaintiff's other trademark related claims. Fair use precludes recovery for unfair competition under federal law. *Robert B. Vance & Associates v. Baronet Corp.*, 487 F.Supp. 790, 797-798 (N.D.Ga.1979).

The standards for trademark infringement and unfair competition under Pennsylvania state law are identical to the federal standards, except that federal law requires interstate commerce. *Moore Push-Pin Co. v. Moore Business Forms, Inc.*, 678 F.Supp. 113, 116 (E.D. Pa.1987).

Plaintiff's claim of unjust enrichment requires some proof of wrongful behavior on the defendants' part and therefore also falls.

Plaintiff's complaint does not make out a claim of trademark dilution under Pennsylvania law. Plaintiff's complaint states: "By the acts and activities complained of herein, defendants have diluted ISI's valuable trademark rights under its distinctive 'CURRENT CONTENTS' trademark." Pennsylvania's statute requires that the offending use dilute "the distinctive quality of a mark". 54 Pa.C.S.A. §1124. Using common English

words to accurately describe the defendants' product, and not as a trademark, can not dilute the plaintiff's mark.

Plaintiff's final claim is for breach of contract. The letter from plaintiff's counsel to defendants' counsel that allegedly recites this oral agreement states:

> This has reference to our telephone discussion on September 5 in which you advised me that Gordon & Breach was agreeable to discontinuing all usage of "CURRENT CONTENTS". In its place, Gordon & Breach would use:
>
> "A guide to the contents of current issues of journals published by Gordon & Breach."

Complaint Exhibit E. This can not be a basis for finding that the Gordon & Breach is liable to the plaintiff for money damages forever if it ever uses the words "current contents" to describe its publication. Because there is no specified term, the contract should be interpreted to be terminable at will by either party. Also, if this is agreement is held to be a contract, the remedy for its breach should be to allow plaintiff to do what it promised not to do as its consideration for this contract, bring suit for trademark infringement. That is what the plaintiff is doing in this case.

[14] An order granting a motion for judgment on the pleadings is only appropriate where there is no dispute as to material fact and one party is entitled to judgment as a matter of law. *Damron v. Smith*, 616 F.Supp. 424, 425 (D.C.Pa.1985). Here, taking every fact plead in the complaint as true, defendants are entitled to judgment as a matter of law and for that reason judgment will be entered in favor of the defendants.

An appropriate order follows.

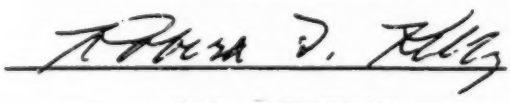
IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.	:	CIVIL ACTION
v.	:	
GORDON AND BREACH, SCIENCE PUBLISHERS, INC. and SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.	:	No. 89-6730

ORDER

AND NOW, this 30th day of August, 1990, upon consideration of the Defendants' Motion for Judgment on the Pleadings and the Plaintiffs Answer thereto, it is hereby ORDERED and DECREED said Motion is GRANTED, the Complaint is DISMISSED and Judgment is ENTERED in favor of Defendants and against the Plaintiff.

BY THE COURT:



Robert F. Kelly

Supreme Court, U.S.
FILED
SEP 18 1991
OFFICE OF THE CLERK

No. 91-296

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1991

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.,
Petitioner,

v.

GORDON AND BREACH, SCIENCE PUBLISHERS, INC.
AND SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

RESPONSE TO PETITION FOR WRIT OF CERTIORARI

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RULE 29.1 STATEMENT

Respondents in these proceedings are Gordon and Breach Science Publishers, Inc., and Scientific Technical Book Service, Ltd., which are independent entities and neither of which has a parent corporation or subsidiaries that are not wholly owned.

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No. 91-296

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1991

INSTITUTE FOR SCIENTIFIC INFORMATION, INC.,
Petitioner,

v.

GORDON AND BREACH, SCIENCE PUBLISHERS, INC. AND SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

RESPONSE TO PETITION FOR WRIT OF CERTIORARI

COUNTERSTATEMENT OF THE CASE

Respondent Scientific Technical Book Service, Ltd. ("STBS") distributes free of charge a periodical under the title SCAN. App. A-22.[1] SCAN has been accurately described on its front cover and in advertising as "a free guide to the current contents of books and journals published by Gordon and Breach and Harwood Academic

[1] The facts recited in this section are derived from the findings of fact in the District Court's Memorandum Opinion. References designated "App. A-" are to the appendix to Petitioner's Brief.

Publishers," and by other variations of that phrasing. App. A-25. STBS is the distributor for the journals published by respondent Gordon and Breach, Science Publishers, Inc. (for ease of reference both respondents will be referred to collectively as "Gordon and Breach").

Petitioner Institute for Scientific Information, Inc. ("ISI") has complained that the use of the words "current contents" in the description of SCAN infringed its registered trademark "CURRENT CONTENTS" for a publication that similarly lists the current contents of various scholarly publications. App. A-23.

Respondents moved for judgment on the pleadings pursuant to Rule 12(c) of the Federal Rules of Civil Procedure, arguing that the use of the words "current contents" as complained of by ISI was a noninfringing fair use permitted by §33(b)(4) of the Lanham Act, 15 U.S.C. §1115(b)(4). App. A-23. The District Court found that the words "current contents" were descriptive both as used as a trademark by petitioner, App. A-25, and in the description employed by respondents. App. A-25-26. The District Court found the "fair use" defense applicable and dismissed the action. App. A-28.

On appeal, the Court of Appeals for the Third Circuit vacated the ruling of the District Court, holding that petitioner's allegations raised material issues of fact as to respondents' good faith use of the words. App. A-16-17. Good faith use by the defendant is one of the three elements of the fair use defense.[2]

In so doing, however, the Court of Appeals rejected petitioner's contention that the District Court had erred in concluding that petitioner's mark CURRENT CONTENTS was "clearly descriptive." Petitioner argued that the District Court's conclusion was precluded by this Court's decision in *Park 'N Fly v. Dollar Park And Fly, Inc.*, 469 U.S. 189 (1985), because plaintiff's mark had become incontestable. However, the Court of Appeals determined

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[2] "The elements of the fair use defense are: 1) that the defendant used the word or symbol to merely describe its product; 2) that it did not use the word or symbol as a trademark; and 3) that it used the word or symbol in question in good faith." District Court Opinion at App. A-23-24, *quoting, Munters Corp. v. Matsui America, Inc.*, 730 F. Supp. 790, 800 (N.D.Ill. 1989) (citing 15 U.S.C. § 1115(4)(b)).

that the District Court had not been addressing the validity of the mark on grounds of descriptiveness, but rather had been analyzing whether the term "current contents" was capable of conveying a descriptive meaning. App. A-17. Indeed, the District Court had made this analysis of the terms first as used in connection with petitioner's publication and then with respect to respondents' publication in assessing the fair use defense raised by respondents. App. A-17-18. Petitioner unsuccessfully sought hearing *en banc* with respect to this issue. App. A-21.

REASONS FOR DENYING THE WRIT

The decision of the Court of Appeals, holding that it was not error for the District Court to determine that petitioner's trademark is descriptive, where the District Court did not address the validity or incontestability of the mark, does not conflict with decisions of this Court or of any Court of Appeals, and does not present any issue for review by this Court.

The questions raised by petitioner present no issues requiring resolution by this Court. Indeed, there is no disagreement between the parties concerning the applicable principles of law. Respondents agree with petitioner that once a trademark becomes incontestable under §15 of the Lanham Act, 15 U.S.C. §1065, the validity of that trademark may not be attacked, nor a charge of infringement defended, on the grounds that the mark is merely descriptive. Respondents also agree with petitioner that the test for determining the defense of fair use is whether the defendant uses the mark in a descriptive sense. Finally, respondents agree that a fair use defense does not require that the plaintiff's trademark be found to be descriptive; however, the descriptiveness of the mark may be relevant to the assessment of the defense.

Respondents strongly disagree with ISI's characterization of the proceedings below. Gordon and Breach defended ISI's charge of infringement on the grounds that Gordon and Breach's use is a fair use of the words "current contents." By necessity, this required an assessment of whether the words bear a descriptive meaning in the context of the defendants' use of the words. Neither the respondents nor the District Court have questioned or attacked the validity of petitioner's United States trademark registration.

Petitioner's argument misconstrues the decision of the District Court as challenging the validity of the mark by confusing the distinction between (1) the determination of whether words are used in a "descriptive" sense in the context of the fair use defense and (2) the characterization of a mark as "descriptive" in the context of a defense to trademark infringement.

A. The Court of Appeals Correctly Held That A Determination That An Incontestable Trademark Is Descriptive Is Not An Attack On The Validity Of That Trademark Prohibited By *Park 'N Fly*.

The heart of Petitioner's argument is that the Court of Appeals misconstrued *Park 'N Fly* by allowing to stand the District Court's determination that ISI's mark "CURRENT CONTENTS" is "clearly descriptive" for the reason that such determination challenges the validity and incontestability of the mark. Petitioner's Brief at 7. This argument misstates the law as derived from *Park 'N Fly* and §15 of the Lanham Act, and mischaracterizes the decisions of both the Court of Appeals and the District Court.

In *Park 'N Fly* this Court held that the owner of a registered mark could rely on the incontestability of that mark offensively to enjoin infringement by another and that infringement could not be defended on the grounds that the mark was merely descriptive. 469 U.S. at 205.

A far different situation is presented in this case. Gordon and Breach has defended ISI's charge of infringement by asserting that its use of the common words "current contents" in a descriptive, non-trademark use is a fair use. No question of the validity of the mark CURRENT CONTENTS has ever been raised. Respondents have not attacked ISI's mark as descriptive, or ISI's right to use its mark, but have only attempted to show that their own use of the words is in fact a fair use, and thus not infringing. Thus, the District Court's descriptiveness determination arose in the context of determining the nature of the words at issue, "current contents" and not as an attack on the petitioner's mark. This does not conflict with the holding of *Park 'N Fly*, which precludes a defense to

infringement upon a determination that a plaintiff's mark is descriptive.

B. A Determination That A Trademark Is Descriptive Is Relevant To A Fair Use Defense To A Charge Of Infringement.

The fair use defense is found in §33 of the Lanham Act, which provides, in pertinent part:

> (b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. . . subject to the following defenses or defects:
>
> * * *
>
> (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark. . . of a *term or device which is descriptive of and used fairly and in good faith only to describe the goods or services* of such party.

15 U.S.C. §1115(b)(4) (emphasis added).

The fair use defense focuses on the defendant's descriptive use of the mark. *See* 1 J. McCarthy Trademarks and Unfair Competition §11:17 (1984 and 1990 Supp.). An essential element of the defense is that the term or device be capable of conveying a descriptive meaning. *See Park 'N Fly,* 469 U.S. at 201 ("The Lanham Act...permits the non-trademark use of descriptive terms contained in an incontestable mark."). Thus, courts have held that the fair use defense is not a challenge to the incontestability of the mark. *Seaboard Seed Co. v. Bemis Co.*, Inc., 632 F. Supp. 1133, 1138 (N.D.Ill. 1986); *See Zatarains, Inc. v. Oak Grove Smoke House, Inc.*, 698 F.2d 786, 791 (5th Cir. 1983) ("The holder of a protectable descriptive mark has no legal claim to an exclusive right in the primary, descriptive meaning of the term."). Where, as here, the competing products are similar, it is relevant to determine if the

mark is capable of describing the product in assessing whether the defendant's use is descriptive. *See Zatarains*, 698 F.2d at 793-796; *Tree Tavern Products, Inc. v. Conagra, Inc.*, 640 F. Supp. 1263, 1265-1269 (D.Del. 1986); *Engineered Mechanical Services, Inc. v. Applied Mechanical Technology, Inc.*, 584 F. Supp. 1149, 1156-1158 (M.D.La. 1984); *Eli Lilly & Co. v. Revlon, Inc.*, 577 F. Supp. 477, 484-486 (S.D.N.Y. 1983); *Schmid Laboratories v. Youngs Drug Products Corp.*, 482 F. Supp. 14, 21 (D.N.J. 1979); *Clarke v. Joseph H. Dahlkemper, Inc.*, 468 F. Supp. 441, 442 (W.D.Pa. 1979).

In analyzing fair use, the District Court below first examined whether the words at issue, "current contents" are descriptive. App. A-24. The Court had defined the term "descriptive" in the trademark context and then analyzed both ISI's use of the mark for its publication and Gordon and Breach's use of the words in its description. The court had noted the similarity between the nature of the publications, App. A-22, and had analyzed the trademark as used in order to assess the descriptiveness of the terms of the mark. App. A-25. The District Court found that the complained of use was

> a page topped by the word "SCAN" in large letters, with the following words beneath in much smaller letters: "...a free guide to the current contents of books and journals published by Gordon & Breach Science Publishers and Harwood Academic Publishers." This is not a trademark use of the words "current contents," it is a description of the nature of the defendant's publication, which is the current contents of the books and journals that they publish. The fact that the description contains the words "current contents" does not turn it into a trademark. The words "current contents" have a normal dictionary meaning, and defendants use the words in that sense.

App. A-25.

The court's determination that Gordon and Breach used the words descriptively did not depend on its assessment of ISI's trademark as descriptive. As the Court of Appeals noted, the District Court examined ISI's mark to determine if the words were capable of descriptiveness. App. A-17. Because the District Court

had been ruling on a motion for judgment on the pleadings, only the facts as presented in the pleadings could be considered. *Jablonski v. Pan American World Airways, Inc.*, 863 F.2d 289, 290-291 (3d Cir. 1988). Thus, in assessing whether the words "current contents" could bear a descriptive meaning, the court was limited to what was before it, *i.e.*, the uses by the parties.

C. The Decision Of The Third Circuit Is Consistent With This Court's Prior Decisions And With The Decisions Of Other All Other Federal Courts.

Petitioner overstates the holding of *Park 'N Fly* to the extent it argues that the preclusion of a defense to infringement based on the alleged descriptiveness of an incontestable trademark extends to the fair use defense. Neither this Court nor any other has held that a court may not analyze the nature of the trademark in issue in the fair use defense. As this Court stated in *Park 'N Fly*, incontestable status under the Lanham Act does not allow a descriptive mark to take from the public domain, or commercially monopolize, language that is merely descriptive because the Act provides several defenses, including the fair use defense, for the non-trademark, descriptive use of the language. *Park 'N Fly*, 469 U.S. at 201. Thus, the fact that the trademark in issue is descriptive is not isolated from consideration, but is relevant to determining the fair use defense. This has been generally recognized by both courts and one commentator. *See Zatarains*, 698 F.2d 786; *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976); *Cullmann Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F. Supp. 96, 132 (S.D.N.Y. 1989); 1 McCarthy, §11:17.

Descriptiveness in the context of fair use is different from that of descriptiveness in the context of a defense to infringement, where the inquiry focuses on whether the mark in issue is capable of functioning as a trademark or merely describes the goods. *See Park 'N Fly*, 469 U.S. at 194, 195. In the fair use defense, the inquiry is directed to whether defendant has used the words not as a trademark and as descriptive of defendant's goods. *See A.J. Canfield Co. v. Vess Beverages, Inc.*, 796 F.2d 903, 908 (7th Cir. 1986).

Thus, the District Court did not err in considering the nature of plaintiff's trademark in the context of the fair use defense, and the Court of Appeals properly recognized that this was relevant to whether the terms were capable of functioning descriptively for respondents' publication.

CONCLUSION

Because the decision of the Court of Appeals raises no conflict with a decision of this Court or of another Court of Appeals, nor does it raise an issue of first impression requiring a decision by this Court, the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

GORDON AND BREACH, SCIENCE PUBLISHERS, INC. AND SCIENTIFIC TECHNICAL BOOK SERVICE, LTD.

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